

## **CHAPTER 47-34**

### **REAL ESTATE TRANSACTION GOOD FUNDS**

#### **47-34-01. Definitions.**

As used in this chapter:

1. "Closing agent" means a person that closes a real estate transaction in connection with the purchase, sale, or financing of an interest in real estate. The term does not include a lender or an employee of a lender that conducts a settlement or closing of a real estate secured loan provided by the lender in the office of the lender.
2. "Escrow account" means:
  - a. A checking account established by a closing agent with a bank, savings and loan association, credit union, or savings bank that is chartered under the laws of a state or the United States and which is used exclusively for the deposit and disbursement of funds for a real estate transaction; or
  - b. A trust account maintained by an attorney under the North Dakota Rules of Professional Conduct.
3. "Good funds" means funds in any one or more of the following forms:
  - a. United States currency.
  - b. Wired funds unconditionally held by and irrevocably credited to the escrow account of the closing agent.
  - c. A check that has been presented for payment and for which payment has been received. As used in this subdivision, the term check includes a certified check and a cashier's check.
  - d. A check not to exceed three thousand dollars which is drawn on the trust account of a real estate broker licensed under chapter 43-23 or on the trust account maintained by an attorney under the North Dakota Rules of Professional Conduct, if the closing agent has reasonable and prudent grounds to believe that sufficient funds will be available for withdrawal from the trust account on which the check is drawn at the time of disbursement of funds from the closing agent's escrow account.
  - e. A cashier's check not to exceed ten thousand dollars in the aggregate that is drawn on an existing account at a bank, savings and loan association, credit union, or savings bank chartered under the laws of a state or the United States.
  - f. A check drawn on the escrow account of another closing agent, if the closing agent in the real estate transaction has reasonable and prudent grounds to believe that sufficient funds will be available for withdrawal from the account upon which the check is drawn at the time of disbursement of funds from the escrow account of the closing agent in the real estate transaction.
4. "Real estate transaction" means a transaction in which a person deposits with a closing agent funds that are to be held until a specified event occurs or the performance of a prescribed condition in connection with the purchase, sale, or financing of an interest in real estate; or a settlement or closing conducted in connection with the purchase, sale, or financing of an interest in real estate. The term does not include a loan financing if the only parties to the loan transaction are the lender and the borrower, and the lender is responsible for disbursing all of the funds to the borrower or to a third party in order to pay fees and charges associated with the loan transaction.

#### **47-34-02. Real estate transaction disbursements.**

A closing agent may not make disbursements from an escrow account in connection with a real estate transaction unless funds that are received from any single party to the real estate transaction which in the aggregate are at least ten thousand dollars are good funds.